



News Release

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IRS OFFERS TIPS FOR LAST-MINUTE FILERS

WASHINGTON – The Internal Revenue Service has some tips for those hurrying to finish their tax forms – double-check your return for accuracy, use the free IRS resources if you need tax help, consider electronic options for filing and paying, and don't miss the filing deadline. That deadline is Monday, April 16, for most of the country, but is Tuesday, April 17, for those who file at the IRS center in Andover, Massachusetts. The IRS will be working Monday, but because it is a legal holiday – Patriots Day – in Massachusetts, taxpayers get an extra day to file.

Taxpayers should check their math, especially the subtraction to determine the amount of refund or balance due, and should be sure to get the correct tax amount from the tax table. The other numbers to be most careful about are the identification numbers – usually social security numbers – for each person claimed on the return.

The IRS toll-free help line – 1-800-829-1040 -- is available around the clock through the filing deadline. Many local IRS offices will be open this Saturday for walk-in assistance. The IRS Web site -- www.irs.gov -- has interactive tax aids, forms and publications for downloading, and links to e-filing partners. Many public libraries have basic tax forms available, along with reference copies of IRS publications.

Taxpayers may file and pay on time electronically until midnight of the deadline day. E-filers may pay by authorizing a no-fee automatic withdrawal from a checking or savings account.

Some software packages allow taxpayers to combine electronic filing with a credit card payment in a single transaction. TurboTax software products for both individuals and tax professionals allow charges to a Discover Card. Jackson Hewitt and Orrtax products for tax preparers allow clients to charge their taxes to American Express, Discover Card or MasterCard accounts. Two processors also offer phone and Internet services for any person to charge taxes to these three credit cards, whether filing electronically or on paper. Details are in the tax instruction books and on the IRS Web site. A convenience fee is added to any credit card charge.

Taxpayers sending a check or money order should make it payable to "United States Treasury" and include a Social Security number, the year and type of form filed -- for example, "2000 Form 1040." They should not staple the payment to the tax return.

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Those who cannot complete their returns on time may request an automatic extension to August 15. Form 4868 has details, including various options for getting an extension by filing or paying electronically. For the first time, the IRS has a special toll-free number for requesting an extension by phone – call 1-888-796-1074 by the regular filing deadline.

An extension gives extra time for filing only, not for paying any balance due. Interest will apply to any tax not paid by the April deadline, plus a late payment penalty if less than 90 percent of the total tax is paid on time. The interest rate, which may be adjusted each calendar quarter, is currently eight percent per year, compounded daily.

The penalty for failing to file on time is five percent per month of the balance owed. If a taxpayer files more than 60 days late, the minimum penalty is \$100 or the balance due, whichever is less. The penalty for paying late is 0.5 percent per month of the balance owed. This rate drops to 0.25 percent per month for a taxpayer who files on time and enters into an installment agreement with the IRS to pay the balance owed. There is no late filing penalty on a refund return, but a taxpayer who fails to claim a refund within three years of the filing deadline generally loses the right to that refund.

Taxpayers mailing their returns should be sure to get them to their local post office before the last pickup of the day. Some post offices stay open late to accept returns for a deadline day postmark. Taxpayers may also use designated private delivery services to meet the filing deadline. The four companies involved – Airborne Express, DHL Worldwide Express, Federal Express and United Parcel Service -- can provide details on which of their services qualify and how to get proof of timely filing.

As of April 6, the IRS had already received nearly 5.2 million computer-filed returns from taxpayers doing their own returns, surpassing the 5 million total for all of last year. This segment of e-filers has shown the largest growth rate, up more than 35 percent over the same period last year.

The IRS has certified 61.7 million refunds, totaling more than \$107 billion. At \$1,740, the average refund is up 5.2 percent over this time last year.

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2001 FILING SEASON STATISTICS

Cumulative through the week ending 4/7/00 and 4/6/01

| | <u>2000</u> | <u>2001</u> | <u>% Change</u> |
|---|-------------------|-------------------|-----------------|
| Individual Income Tax Returns | | | |
| Total Receipts | 77,158,000 | 77,010,000 | - 0.2 |
| Total Processed | 69,212,000 | 68,315,000 | - 1.3 |
| E-filing Receipts: | | | |
| TOTAL | 30,670,000 | 34,242,000 | 11.6 |
| TeleFile (phone) | 4,522,000 | 3,856,000 | -14.7 |
| Computer | 26,148,000 | 30,386,000 | 16.2 |
| Tax Professionals | 22,332,000 | 25,207,000 | 12.9 |
| Self-prepared | 3,816,000 | 5,179,000 | 35.7 |
| Refunds Certified by the Martinsburg Computing Center: | | | |
| Number | 61,868,000 | 61,705,000 | - 0.3 |
| Amount of principal | \$102.303 billion | \$107.356 billion | 4.9 |
| Average refund | \$1654 | \$1740 | 5.2 |
| Direct Deposit Refunds: | | | |
| Number | 24,801,000 | 28,202,000 | 13.7 |
| Amount | \$52.458 billion | \$60.936 billion | 16.2 |
| Average | \$2115 | \$2161 | 2.2 |